

Manage

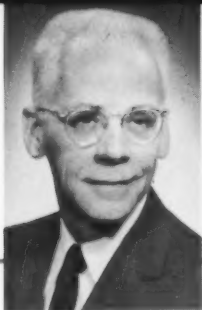
MARCH, 1961



ON THE INSIDE:

- ▶ 7 GUIDING PRINCIPLES OF LABOR
LAW ADMINISTRATION
- ▶ COMMITTEE CHAIRMAN!! OR??
- ▶ HOW TO MEASURE CREATIVITY

5 dollars / year



L. FRED MAGRUDER

... from the NMA president

Report to the Membership

The NMA is currently undertaking an important and unique program which you have been reading a good deal about in MANAGE. As you have read about this educational project—NMA's Scholarship Foundation—I think you will grasp the importance of it and its implication for us as an association.

All of us should be aware of our responsibility as managers. We should also see the broader implications of our role in society as members of NMA and as representatives of an industrial and commercial system new to the world and unique in the span of man's existence.

If we are to manage effectively, to contribute at least as much to society as we are expected and expect ourselves, then we should be concerned about the state of our knowledge or our ignorance.

This is why the Scholarship Foundation came into being. It is the reason you hear increasingly of its activities. Many have said its importance lies in the contribution it can make to our free enterprise system; others have viewed it as an effective corollary to our national "Selling America" program. These things may be true, but perhaps we need to look upon management research and study it with even more depth.

The strength of our management profession and its relationship to our system of economics and exchange will be in proportion to the degree with which we can attain some measure of truth in fathoming the manifold relationships of management, both within itself and with respect to the larger society. Our role will be one of supporting the study of management to understand the truths about our strengths and weaknesses.

We have a real opportunity to contribute to our profession through the Scholarship Foundation. It is my sincere hope that every one of us can stand behind this program and give it our well-deserved support.

Manage



VOLUME 13

MARCH, 1961

NUMBER 6

CARL F. TOSSEY
Editor

**WASHINGTON
CORRESPONDENT**
Michael S. Roberts

**BUSINESS
AND CIRCULATION
MANAGER**

Peter L. Thompson

EDITORIAL BOARD
Marion N. Kershner
chairman
Eric P. McCarty
public relations
John W. Brown
club service
Norman George
research
William Levy
education

NATIONAL OFFICERS
L. Fred Magruder
president
Marvin W. Keck
first vice-president
Thomas P. Alston Jr.
secretary-treasurer

FEATURES

- 7 Guiding Principles of Labor Law Administration 4
Committee Chairman! ! Or? 14
Glaucoma Among Industrial Workers 18
Stop to Smell the Flowers 23
How to Measure Creativity 25
How's Your Staff Work? 39
Profit-Sharing Boom 41
Diversifying Military Companies 47
Don't Do It All Yourself 52

PICTURE STORY

- Punched Cards Slash Payroll Time 32

DEPARTMENTS

- Report to the Membership 2
Eye on Washington 9
NMA Club Anniversaries 46
Act on Fact 55
Management Bookshelf 60
News at a Glance 62

OUR COVER

Tensioning rack in Boeing filament winding operation holds 180 spools of fiber glass threads which are fed under controlled tension to resin-impregnating device and filament winding machine. Boeing development engineer examines threads, on which constant tension of three to four ounces per thread is being maintained. The most successful applications of filament winding so far are in making rocket booster cases, pipes, rocket nozzles and radomes.

MANAGE is published monthly on the 25th by THE NATIONAL MANAGEMENT ASSOCIATION (formerly The National Association of Foremen) as its only official publication. Second class postage paid at Dayton, Ohio. Printed in the U. S. A. Publication office 230 West Fifth Street, Dayton 2, Ohio. All address changes and publications returned under postal regulation 3579 should be sent to editorial offices in Dayton. Editorial and Executive offices: 333 West First Street, Dayton 2, Ohio. Copyright 1961 by The National Management Association. Subscription rates: annual U. S., \$5.00; foreign, \$7.50; single copy, 50 cents.

CIRCULATION THIS ISSUE: OVER 70,000, DOMESTIC AND FOREIGN.

7

Guiding Principles

of

Labor Law Administration

by *Stuart Rothman*
General Counsel

National Labor Relations Board

Alexander Pope once wrote, "For forms of government let fools contest; whate'er is best administer'd is best." In a free society, the very best in administration must be the goal of anyone who attempts the serious task of administering legislative enactments. And particularly is this true in connection with the administration of federal labor laws, which affect so directly and so intimately the daily lives of the working men and women of America.

I should like to set forth briefly my own views, based upon my experiences about the way labor laws should be administered, and the principles which a labor administrator should follow in order to carry out his responsibilities.

Seven Guiding Principles

1. First and foremost, labor

laws deserve vigorous enforcement. The labor laws, like other laws, embody public policy which must not be frustrated by ineffective enforcement. However, vigorous enforcement does not contemplate punitive measures and reprisal; the emphasis is on sound and judicious remedies, comporting with the seriousness of the violation, and aiming for restoration of the injured parties to the status quo. Public awareness of effective enforcement will necessarily encourage voluntary compliance and thus avoid expensive and time-consuming litigation.

2. Prompt determinations at all points of the administrative process are essential. No one feels the drag of time more keenly than a person deprived of his lawful rights. A business man harassed by illegal picket-

ing, a union wrongfully denied recognition, an employee discriminatorily discharged—all want and deserve prompt relief. Moreover, prompt handling reduces indirect losses for which the law offers no compensation, such as lost opportunities for new markets by businessmen and other employment by workers. Like vigorous enforcement, prompt determinations give impetus to voluntary and swift settlements and, where no settlements are effected, to better and fairer hearings in which the evidence

employees. Impartiality is particularly important in my role as General Counsel for the Board, since my determination of whether to issue a complaint is not subject to review. I have been called a "middle-of-the-road" general counsel, and I think that is where a general counsel should be. One of my first official acts was to stress among the employees of my office the need for impartiality and for avoiding even the appearance of favoritism.

4. Two-way channels of communication must be kept open

When intelligently applied, these principles will go a long way toward insuring administration that is fair and square.

adduced is fresh and the recollection of the witness is clearer.

3. Laws must be administered with both real and apparent impartiality. All of us necessarily have some predilections and points of view which consciously or unconsciously may influence our approach to problems. Only by rigid and continuous effort can administration be kept free from these influences and impartiality be achieved. In the emotionally charged labor field, impartiality involves dealing evenhandedly with three competing interests—management, unions, and em-

between the administrator and the public, including labor and management, if the administrator is to secure the respect and trust of the people with whom he deals. What is needed is not only a closer understanding of the interests and positions of each side by the other, but also a determined effort to make clear to all parties their rights and obligations under the Act.

5. Voluntary compliance and informal settlement are the best means of achieving harmony. Formal litigation, with its attendant acrimonious and other ill-effects should be a last

resort. Voluntary adjustment of disputes is the lifeblood of sound democratic society. Such adjustment not only enhances amicable labor-management relations, but also increases respect for law and permits the overburdened administrative agency to attend to other necessary tasks.

6. The agency must pursue personnel programs which attract, retain capable people. A labor agency responsible for the protection of the rights of working men and women should not lose sight of the fact that it, too, has responsibilities as an employer. Although Government service offers many unique advantages and satisfactions, the agency is in competition with private industry in recruitment. Enlightened personnel policies must be developed if the agency is to attract and hold the type of people it needs.

7. The administrator must make a continued study of the laws, and suggest improvements. Social and economic changes over the years necessarily affect labor legislation. No one can have a better understanding of the measures necessary to maintain or increase effectiveness than those who have the day-by-day responsibility for the administration of a labor law. While ulti-

mate solutions must come from legislative or executive action, the administrator should provide constructive ideas and factual information from which to gauge the impact of existing or proposed legislation.

Application of Principles

It is, of course, impossible in the limited space allotted to enumerate all of the techniques and devices I have applied both in the Department of Labor and at the National Labor Relations Board in effectuating the foregoing principles. In addition to the development of new management techniques, hard work and maximum utilization of the available professional skills have contributed to the results achieved. A few examples will illustrate the effectiveness of the principles of administration to which I have tried to adhere in the administration of the Taft-Hartley Act.

Vigorous enforcement of the law has resulted in collecting more than \$1,450,000 in back pay in the fiscal year 1960 for employees unlawfully discriminated against—the largest sum recovered in any of the past 10 years. Expeditious case handling also enabled my office to reduce the median time from the filing of a charge to the issuance of a complaint from 76 to 44 days. Median time from

the issuance of complaint to the close of hearing has been reduced from 95 to 44 days, and from the filing of the charge to the close of the hearing from 134 to 88 days. As of today, 87 per cent of the unfair labor practice cases are disposed of, on an average, within 30 days after receipt. Our success in the fields of voluntary compliance and informal settlement is even more noteworthy. During the fiscal year 1960, more than 1900 meritorious cases were settled; from the beginning of the year until August, the percentage of settlements rose from 48 per cent to 66 per cent.

Contributing to our success in these areas have been innovations of such techniques as improved settlement procedures, the use of educational devices such as meetings with representative groups, the establishment of time targets for adjustments and complaint issuance, and concentration upon preventive law techniques.

I have particularly stressed the need for voluntary compliance in cases involving jurisdictional disputes at missile sites where I feel that the statutory procedures for handling such disputes are inadequate, because the Board is

ABOUT THE AUTHOR



For the past 7½ years, Mr. Rothman has played significant administrative roles having to do with the policy and interpretation of basic national laws. As Solicitor and Acting Wage and Hour Administrator of the Department of Labor, he administered a wide variety of statutes, including the Fair Labor Standards Act, the Walsh-Healy Public Contracts Law, and the Davis-Bacon Act, among others. As General Counsel for the National Labor Relations Board

since July, 1959, his responsibilities include the investigation of unfair labor practice charges and the prosecution of proceedings before the Board and the courts. He is also charged with the conduct of representation proceedings, by which employees choose their bargaining representatives.

given no criteria for resolving the conflict, and the use of the statutory injunction proceeding is not conducive to industrial peace and cooperation. Unlike ordinary jurisdictional disputes, these disputes involve contractors as well as unions, all competing for work, and the construction industry Joint Board is not equipped to handle them.

In other matters, such as channels of communication, improved personnel programs, and impartial administration, progress cannot be measured by statistical data, but none of these fields has been neglected. For example, we have established in each Regional Office a Regional Advisory Conference, composed of local representatives of the Regional Offices, the labor bar, and labor law professors for exchanging views, disseminating information, and developing improved techniques; also an official has been made available in each Regional Office to discuss day-to-day problems with parties. Our present recruitment and promotional program is designed to attract highly professional help, to reduce turnover, and improve morale. Our record of impartial enforcement has been good because our primary aim is to be fair to all sides, and not necessarily to

win all cases, although even so, we did succeed in 86 per cent of the cases tried before the Board.

Finally, in the field of suggestions for improvements of existing legislation, I have, for instance, recommended corrective legislation dealing with national emergency strikes. Suggestions have heretofore been made to limit these strikes after the breakdown of collective bargaining. However, I believe that greater emphasis should be made on improving collective bargaining itself, placing the focus on the earlier bargaining stages. A redefinition of the statutory duty to bargain, insofar as it involves nationwide industries, may be helpful even if the changes effected are essentially procedural, such as requiring more detail in proposals, more utilization of mediation services, and more frequent bargaining sessions.

* * *

The principles which I have discussed do not, of course, exhaust the means by which we may achieve the very best in labor law administration. However, I sincerely believe that these principles, when carefully and intelligently applied, will go a long way toward insuring an administration that is effective and equitable.



Eye on Washington

by Michael S. Roberts



KENNEDY BULLDOZING HIS PROGRAM

President Kennedy is using every device in a master politician's political bag of tricks to whip a basic legislative program through Congress in his first eight months in office. When the smoke clears from the stage, chances are good he'll have most of his act successfully completed.

The new President intends to make a name as the "modern Franklin D. Roosevelt" before his term in the White House is over. In his first official message to Congress, his own "State of the Union" message, President Kennedy set the tone of his new Administration. He continued to open the legislative throttle in a series of rapid-fire messages and programs to the lawmakers in succeeding weeks.

By the skillful use of warning and fear, threat and promise, demand and plea, and personal drive coupled with a bright picture of future accomplishment, the new President is attempting to whip congressional enthusiasm for his programs to fever pitch. At the same time, he wants to tie his often recalcitrant congressional majority tightly to his personal coattails.

So far, his strategy appears to be getting the desired results.

SWIFT-MOVING LAWMAKERS

A host of senators and congressmen moved quickly to get the Kennedy program underway. Even before the Inauguration, bills to turn the Kennedy program into law were introduced in Congress. Minimum wage expansion, medical care for the aged, depressed areas aid, aid to education, expanded home-building aid, urban renewal, and many others were covered in bills introduced in the first week of the Congressional session.

In his first round of requests, the President asked for:

A higher minimum wage with coverage extended to 5 million additional workers. (Democratic bills already introduced would raise the minimum to \$1.25 an hour from the present \$1.00 and cover workers of almost any firm grossing more than \$500,000 a year. Republicans are backing a measure to raise the minimum to \$1.10 an hour and cover workers in firms grossing more than \$1 million a year, or with more than 100 workers.)

A temporary increase in the duration of unemployment compensation, paid for by the states by taxes on employers, with the help of federal loans in the beginning if necessary. (Bills have already been introduced in both houses of Congress. This is similar to a Republican proposal of three years ago.)

"Redevelopment" of depressed areas, through loans, tax incentive grants, increased surplus food distribution, and similar measures. (This will be one of the first programs to get underway on Capitol Hill. Cost will be about \$350 million. Other major programs will probably move slowly until action on this is completed.)

GOVERNMENT CONTROLS PLANNED

Encouragement of price stability. (This proposal covers a wide range of possibilities, but for this year will probably center on measures such as one requiring full disclosure of all consumer credit charges and new laws to give the White House power to restrain wage and price rises, resulting from labor-management negotiations.)

Curb tax and customs loopholes to discourage private spending and investments overseas. (This plan is part of the Kennedy drive to halt the flow of gold overseas.)

More liberal government guarantees and financing to promote sharply increased exports of American products.

Tax incentives for "sound" plant investment. (This would apparently mean some easing of present restrictive tax depreciation laws. But there may be a conflict as the President's new top economic advisor, Walter W. Heller, Chairman of the Council of Economic Advisors, has opposed this approach. He prefers a tax cut to consumers to spur economic development.)

In addition to the measures which he is specifically requesting, the President is backing a wide range of changes in the country's laws. He has thrown his support behind the pre-merger notification proposal of Sen. Estes Kefauver, D., Tenn., and Emanuel Celler, D., N. Y. This would require large firms to notify the government before merging to give antitrust time to block any they believe illegal.

He is also expected to get behind a move by top Defense Department officials for a bigger defense budget. Military brass is dissatisfied with the \$42.9 billion former President Eisenhower requested in his final budget, even though it is a peacetime record, up \$1.4 billion over last year.

LABOR SCRAP HEATS UP

While President Kennedy is making a whirlwind courtship of Congress, labor unions are lining up a flying wedge assault on the new Administration. First, top union leaders are worrying a little over their position in the new Administration. While the honeymoon isn't over yet, they're disappointed over the lack of appointments of union men to top spots, outside of the Labor Department.

One result is a drive to win new concessions to "salve the wound," as one union leader says privately.

This will probably bring the Kennedy Administration to back with some vigor the so-called "sit-us-picketing" measure, which would remove the present prohibition against a striking union picketing a construction site (home, plant, road) where more than one union is working, thus tying up the entire job.

AFL-CIO leaders are also working hard to get the new Labor Secretary, Arthur Goldberg, former United Steelworkers Union official, to quickly counteract a devastating report on the steel strike, made to former Labor Secretary Mitchell at the end of his term.

This report was drafted by the Department's Bureau of Labor Statistics and a Harvard University economist. The conclusion: The long range economic effects of past steel strikes have left no permanent scars on our economy, and therefore "the strikes which from time to time accompany the (steel) negotiations do not warrant the public consternation and outcry that have occurred in the past."

"Public interest has not been seriously harmed by strikes in steel, or by collective bargaining agreements, despite common public opinion to the contrary," it continues. Thus, it adds, early intervention in these strikes "tends to frustrate and

hinder the process of negotiation and has neither secured settlements nor avoided strikes."

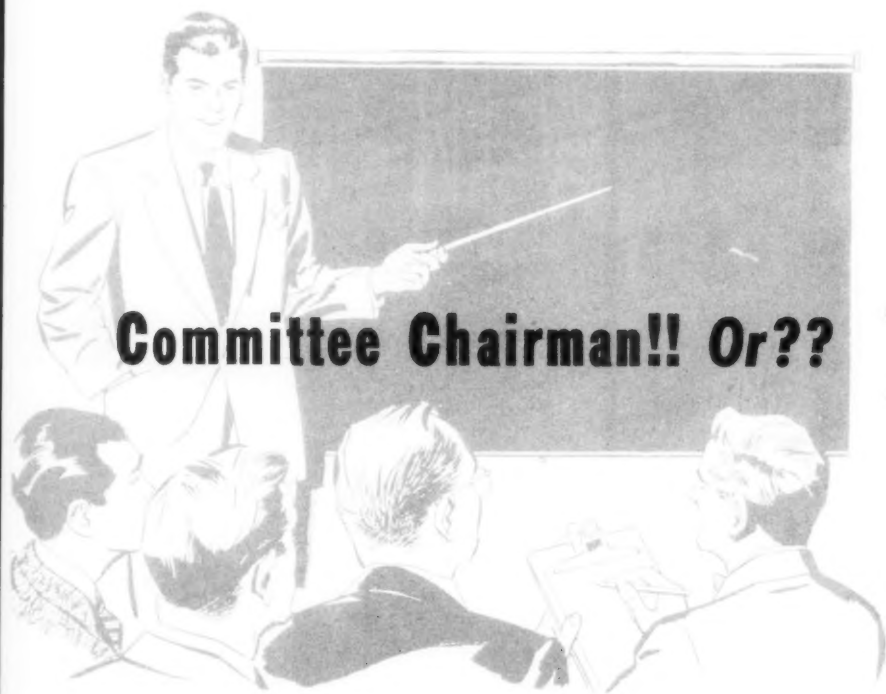
This runs contrary to the union position that the government should step in with "public pressure" to settle strikes in major industries fairly quickly. This is suggested because in most cases, government strike remedies—as in the steel strike—tend to favor union wage demands and at least pave the way for price increases to counteract the increased costs.

Secretary Goldberg is himself a firm believer in "government pressure" to shorten strikes. He first exercised this theory in the New York dock strike settlement only a few days after taking office. The settlement was far above what the employer involved was earlier believed ready to pay.

On other labor fronts, there will be continuing efforts to further restrict extreme union activities, but they're not likely to get anywhere. Sen. Barry Goldwater, R., Colo., present leader of the conservatives in Congress is again asking for passage of most of the provisions of the original labor reform bill in 1959, which were dropped in the compromise efforts. Main provisions would bar union shops, insure free elections, and provide stronger anti-violence measures.

A measure sponsored by Sen. Maurine B. Neuberger, D., Ore., and several others, to prohibit discrimination because of age in hiring by government contractors isn't likely to get anywhere. Rep. Thomas Curtis, R., Mo., is sponsoring a movement to set up a special House committee on independent unions, designed to guard their interests and develop laws to protect them from coercion by the major national organizations.

The running battle between the Congress, particularly the Senate Investigating subcommittee, and a few unions including James Hoffa's teamsters, will continue at full steam.



Committee Chairman!! Or??

How to give your group real leadership!

by Edward H. Sargent, Jr.

"Committee Chairman"—Does this title create feelings of pressure in you, confident anticipation or just plain dread? In our committee-structured society every one stands a fair chance of becoming a chairman

of some committee—be it executive, advisory, policy-making or what have you. What can you do to reduce the pressure that taking on the responsible job of chairman creates? What can you do to perform

this job as well as you know how? Are you really prepared for it, and if not, where can you go for help?

It is hoped that the following five major points may be of help to anyone as chairman of any committee, regardless of what kind of a committee it is. They are based on the author's personal experiences as a committee chairman, as a committee member, as an observer and as a teacher. It is assumed that any reader will make the transfer from this article to his own situation.

Why Did You Accept?

The first point to consider is the appointment you took as chairman. Since you are already the chairman, this next may seem a superfluous point to consider now. However, this may be the root of your problem. Do you know what powers you have? The author recently talked to a woman who had accepted an appointment as a chairman and has since spent a month trying to find out what authority she and her committee have. Another problem she

has been trying to solve concerns the relationship of this committee to other committees. Both of these questions should have been fairly well defined before this person accepted the appointment. This leads to an even more basic question, "Why did you take this appointment?" Did some friend talk you into it? Did you accept it as a civic or religious duty? Did you accept it for social prestige? Until you can answer honestly questions such as these, you will have difficulty as a chairman.

Get A Working Group!

The second major area of consideration is the selection of your committee. How will it be selected? Will the members be talked into it by a promise of a few short meetings with really nothing to do except to attend these meetings? Or will it be pointed out to them that they can expect to work because it is a worthwhile job which will give them personal satisfaction? What criteria will you use in selecting your committee? Will it be because these people are personal friends, or because you know they have special talents that can be used?

Your first meeting with your committee is the most important one. This is where you will make a strong foundation or a weak base which will sup-

Edward H. Sargent, Jr., is Associate Professor of Education at New York State College for Teachers in Albany. His suggestions here grow out of his work in training volunteer chairmen.



How to give your group real leadership!

by Edward H. Sargent, Jr.

"Committee Chairman"—Does this title create feelings of pressure in you, confident anticipation or just plain dread? In our committee-structured society every one stands a fair chance of becoming a chairman

of some committee—be it executive, advisory, policy-making or what have you. What can you do to reduce the pressure that taking on the responsible job of chairman creates? What can you do to perform

this job as well as you know how? Are you really prepared for it, and if not, where can you go for help?

It is hoped that the following five major points may be of help to anyone as chairman of any committee, regardless of what kind of a committee it is. They are based on the author's personal experiences as a committee chairman, as a committee member, as an observer and as a teacher. It is assumed that any reader will make the transfer from this article to his own situation.

Why Did You Accept?

The first point to consider is the appointment you took as chairman. Since you are already the chairman, this next may seem a superfluous point to consider now. However, this may be the root of your problem. Do you know what powers you have? The author recently talked to a woman who had accepted an appointment as a chairman and has since spent a month trying to find out what authority she and her committee have. Another problem she

has been trying to solve concerns the relationship of this committee to other committees. Both of these questions should have been fairly well defined before this person accepted the appointment. This leads to an even more basic question, "Why did you take this appointment?" Did some friend talk you into it? Did you accept it as a civic or religious duty? Did you accept it for social prestige? Until you can answer honestly questions such as these, you will have difficulty as a chairman.

Get A Working Group!

The second major area of consideration is the selection of your committee. How will it be selected? Will the members be talked into it by a promise of a few short meetings with really nothing to do except to attend these meetings? Or will it be pointed out to them that they can expect to work because it is a worthwhile job which will give them personal satisfaction? What criteria will you use in selecting your committee? Will it be because these people are personal friends, or because you know they have special talents that can be used?

Your first meeting with your committee is the most important one. This is where you will make a strong foundation or a weak base which will sup-

Edward H. Sargent, Jr., is Associate Professor of Education at New York State College for Teachers in Albany. His suggestions here grow out of his work in training volunteer chairmen.

port little if anything. If it is worth taking the time of a group to have it meet several times or more during the year, it is worth the time to set up the ground rules under which you will operate. It may be one meeting more than you had planned on. Call it an orientation meeting. Call it anything, but call it!

At this meeting let the committee members know each other's background so that they know why each one is there. Let them know why they were selected. Let them get to know each other. It may be more social than subsequent meetings; however, do not lose sight or allow them to lose sight of the fact that you expect some hard work. Explain the duties or any special jobs such as that of the secretary of the committee, if you have one. Set the stage for the following meetings by agreeing upon starting and quitting times. Let the members know if you plan to use parliamentary procedure. It may be that you will have to give a few basic points on how informal discussion operates. The size of your committee will naturally dictate how informal you can be.

Prepare for Meetings

Your preparation for the meeting, or the preparation of

the agenda, is the fourth important point. Professor Harold P. Zelko of Pennsylvania State University tells us:

"Most committees fail because both the chairman and the participants have failed to give adequate thought to the subject or purpose of the meeting. It is a mistake to assume that you can lead or participate in a committee meeting by relying solely on your background and work experience. Careful thought should be given to the agenda, purpose, persons in attendance. It is better still to do some organized preparing on paper."

Some things that you can do are: (1) list the items that can appear, (2) cut the list to your time schedule, (3) arrange in the order of importance the items to be discussed, and (4) inform the committee members of the agenda before the meeting. A suggested way to do this is to send out post cards a few days in advance as a reminder of the meeting and give the tentative agenda. This will allow time for preparation by a member whose special background or interest is needed. It also suggests that all the committee members start thinking and preparing before the meeting.

Many persons feel that another major contribution that

can be made to prepare for a meeting is to mail out the minutes of the previous meeting. This fills in the hazy memory of what happened a month ago. It also furnishes specific facts that may be needed for the coming meeting.

Only after strong consideration of the first four major points are you ready for productivity from your committee. This leads to the fifth and final major point, your conduct of the meetings. Get to the meeting place early and check your physical set-up to be sure materials are ready; check the chairs, ashtrays and anything else you think should be in order. Start the meeting on time and make sure there are no interruptions. Many persons have had experience with the so-called busy executive who tries to chair a committee, answer the phone and talk to a secretary, all at the same time. The writer feels this is not the sign of a busy executive as much as it is the sign of a disorganized person.

Make That Decision!

The major difficulty in the conduct of many meetings is decision-making. The problem is often not what decision to make but simply being decisive. The author has heard a supervisor tell his teachers as he

observed them that he would never second-guess them as long as they did not avoid making a decision when it was needed. Many committees waste time because the chairman will not make a decision. It may be that a vote is needed. It may be that additional facts are needed. It may be that a subcommittee is needed. The point is, a decision has to be made and the chairman must give the meeting some direction.

It is not suggested that the foregoing provides a Utopian answer to the problem of how to do a good job as chairman, but in summary, to any and all chairmen it is recommended that they remember these five major points:

(1) Why did you accept the job and what do you know about it?

(2) How are your committee members chosen? If you perform this function, what criteria do you use?

(3) How do you prepare for your first meeting?

(4) What preparation should be made by the chairman and members for every meeting?

(5) How will your conduct of meetings affect the productivity of the committee?

Reprinted with permission of ADULT LEADERSHIP, published by Adult Education Association.

The Problem is Detection

Glaucoma Among Industrial Workers

by Gordon Y. Hilton



A check for the presence of glaucoma requires only two or three minutes.

How many cases of glaucoma might be turned up in the screening of a random 1000 industrial workers? The North Carolina State Board of Health sought to find out since the problem in glaucoma—a disease for which there is a simple test, as well as important new drugs—is primarily one of detection.

A “pattern” or model project set up for the board by H. Robert Coler, M.D., chief of its occupational health section, embraced 1017 volunteers over 40 years of age in a large textile plant—80 per cent of the mill’s employees in the desired age groupings.

Twenty-four cases, and also 19 borderline cases, were detected. Only one among the 24 men and women found to have

glaucoma reported having had any symptom. Among the unsuspecting was a 41-year-old worker with a tension in each eye of 50 millimeters—which is twice the maximum within the range of normal.

The summary of the findings was co-signed by Dr. Coler and the ophthalmologist (an M.D. who is a specialist in diseases of the eye) who did the clinical work. A few weeks later Dr. Coler resigned, ending a long career in public health work, and returned to his old home in Germany.

Ironically, he himself was a victim of glaucoma, and his vision was all but gone. His case, of some years standing, turned out to be one of the relatively few intractable ones, having responded none too well either to medication or surgery.

Said the closest of his colleagues: "Another version of the classic story of the physician so dedicated to his work that he is inclined to be not too careful of his own health."

Glaucoma results from the failure of aqueous humor, the fluid in the eye, to drain properly when some anatomical or functional defect blocks the outflow. The resultant pressure on the optic nerve causes progressive loss of vision, and if unchecked, blindness.

The disease can be acute with a sudden build-up of pressure and symptoms of seeing colored rainbows or halos around lights, or it can be chronic, with a slow loss of vision and no symptoms. The latter is the commonest kind.

If detected soon enough glaucoma can be controlled and there need be no serious damage to vision. Usually a person doesn't suspect glaucoma, though, until there has been impairment to vision—which cannot be restored.

Until relatively recently the ophthalmologist had only one major weapon short of surgery to use against glaucoma; the drugs known as miotics, which, dropped in the eyes at regular intervals, tend to improve or speed up the outflow of aqueous humor.

This new approach—limiting the supply of aqueous humor to the eyes—came out of research on the use of the drug, Diamox acetazolamide, in glaucoma and the development a few years later of Neptazane methazolamide, which is closely related to Diamox yet is not a derivative of it.

Diamox, a distant relative of the sulfas, is the drug researchers at Lederle Laboratories came up with in a quest for a chemical which would save

victims of congestive heart failure by making the body expel excess fluid through the kidneys. They intensively studied 6063 sulfa preparations over several years before arriving at Diamox.

Carbonic anhydrase is an enzyme which helps the body secrete aqueous fluid. What Diamox and Neptazane do is curb the action of this enzyme. Each drug is effective in some cases of glaucoma where the other is not, though Diamox remains the primary drug because it is faster acting.

The plant chosen for the pioneering North Carolina study was White Oak Mill of Cone Mills Corporation in Greensboro. For one thing this plant has a well-equipped infirmary. Setting up such a project, however, is hardly as simple or straight cut as it sounds. A prerequisite in North Carolina, for instance, was clearance of the project by three different groups of the state medical society.

The state board of health found the cooperation of management and employees alike to be splendid. Management, for instance, gave a great deal of thought to making the purpose or objective of the study clear to the workers, who were offered the opportunity of sign-

ing up for the mass screening on a purely voluntary basis. It invited the aid of the Society for the Prevention of Blindness which supplied a film on glaucoma that was shown to plant foremen and other supervisory personnel.

Management, too, prepared an excellent letter to employees at the plant, explaining the purpose and significance of the study to be undertaken. In order to relieve the chief nurse at the infirmary entirely for the study, it employed a special nurse to take care of the routine infirmary work for the duration of the three-day screening project. The response of the employees themselves was abundantly gratifying.

On the first day 385 workers were examined, 405 on the second day and 227 on the third day. On two consecutive nights examinations were conducted until 3 a.m. for the convenience of night shift workers. A tension test was taken about every three minutes in addition to exterior and interior examinations of both eyes, including an ophthalmoscopy through an undilated pupil.

The result of the primary objective of the study was that 24 cases of glaucoma were discovered, as noted. As for a breakdown by age grouping,

five cases were found among the 485 workers in the 40-49 age group, 14 among the 383 in the 50-59 age group and five among the 149 employees 60 years old or older.

Additionally, there were 19 cases found with a tension close to the borderline of 24-25 millimeters of tension. These persons were told and also notified by letter that they do not have glaucoma but should have their tension rechecked in about a year. All suspicious cases were triple-checked with the use of two different tonometers.

A tonometry or test for glaucoma is simple and painless. The patient is placed in a reclining examination chair or on a cot. A drop is put in each eye which anesthetizes it almost instantly. As the chair is reclined and the patient looks straight up, the eye specialist places the base of the tonometer, an instrument about six inches long, alternately on each eye. A calibrated scale registers the intro-ocular pressure in millimeters of mercury.

The incidence rate of glaucoma turned up in the White Oak mass screening was about in line with the generally accepted estimate that two and one-half per cent of the nation's over-40 population have the disease. It was rather a surprise

to those in charge of the project that in addition to the glaucoma cases, 101 cases of eye and other diseases were uncovered by the examinations. These included 16 cases of Grade I hypertension (high blood pressure), 32 cases of Grade II hypertension and five cases of Grade III hypertension.

Also discovered or detected were two cases of diabetes mellitus, seven cases of muscle deviations, four of lid tumors, two of xanthelasma (indicator for high cholesterol), seven of cataracts, 14 of old chorioretinitis, one of old eyeritis, two of macular degeneration and nine old eye injuries with loss of function. In the great majority of these cases the workers, even the five with Grade III hypertension and eye hemorrhages, and the two diabetics, were unaware of the disease.

As is the custom in mass screenings for other diseases, it was agreed, of course, that management should receive only the breakdown of findings after completion of the study and that the names of those found to have a pathological condition should not be revealed to anyone save the individual concerned.

It is to be observed that the White Oak study involved only industrial workers 40 years old

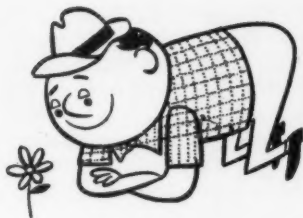
and older. Generally it is accepted that glaucoma affects only those beyond the age of 40. More and more, however, ophthalmologists over the nation report finding more cases

among those in their thirties than was hitherto suspected. Some authorities suggest the age grouping for glaucoma should be lowered from 40 to 30.



"Here's your trouble! Leaky washer."

"Stop to Smell the Flowers"



by William Levy
NMA Manager of Education

"Enjoy yourself, it's later than you think."

Walter Hagen was one of the greatest competitive golfers of all time. His feats have become legendary. Typical of his accomplishments was the time a young rival was burning up the course. The gallery followed his flawless performance and only a sparse group hung on with the "Haig." The young man was sure to hole out for a new course record and Hagen was almost 150 yards away with one stroke remaining to tie the champ. Always the showman, this great golfer left his ball and started for the last green. When asked why, he said: "I'm going to try to sink this 150 yard putt." The effect was electric. Everyone gathered along the fairway and the green to watch the impossible feat. When the suspense was at its peak, Hagen hit the ball. The crowd gasped as it started straight for the green, rolled on a perfect line for the cup and missed by a few inches. Few men in that crowd can tell you who won the tournament. Everyone has repeated over and over the near-perfect shot by Hagen. Life was a tremendous challenge to Walter Hagen to whom is attributed the lead thought in this article, "We're only here for a short while—don't hurry—don't worry—and be sure to smell the flowers along the way."

Count Your Blessings

Self-pity is vicious and costly luxury. It's so easy to skim over lightly all the breaks we get, all that is being done by superiors and subordinates to make us look good and to concentrate on all the imagined tough breaks we are getting. In most cases, they

turn out to be blessings in disguise since they goad us to greater effort. We envy those who ride in fine cars and seem to have special privileges, failing to recognize that maybe they would like to trade places with us and dispose of their ulcers and headaches.

A sense of humor is a tremendous asset and if you can cultivate the habit of smiling and enjoying the well-being that comes from a belly laugh, brother, you've got it made.

Slow Me Down, Lord

Modern-day living provides an ulcer-packed tempo and unlimited tensions. Usually it is not a simple case of struggle for survival, rather it becomes a rat race, an endless treadmill and a pattern for living. Few people stop to consider their personal values and objectives in order to establish proper primacy or priority. This can be illustrated by a brief excerpt from the play "The Insects" by the Copek brothers. It is a satire on humanity with insects portraying types of individuals. A bee is talking to a couple of beetles who are busily engaged in rolling pats of butter into balls. The bee asks: "Why are you making these balls of butter?" The beetle answered: "We don't know, but we have got to make them bigger and bigger."

A few years ago, "Sandy" Coggan, former vice president of Convair, division of General Dynamics, at San Diego, spoke at an NMA Club Presidents' luncheon. His remarks reflected his warm, dynamic and spiritual outlook. The following poem which he shared with the audience is consistent with the general tone of this article and is a fitting way to close.

*Please slow me down, Lord, I'm going too fast;
I can't see my brother, when he's walking past.
I miss many good things that pass me each day,
I don't know a blessing, when You send it my way.*

*Please slow me down, Lord, I sure want to see,
Many more of the things that are real good for me.
I need less of me and much more of You,
Please let your heavenly atmosphere through.*

*Let me help a brother, when the going is rough;
When folks work together, life isn't so tough.
Slow me down, Lord, and please help me talk
With some of your angels, slow me down to a walk!*



How to Measure

CREATIVITY

by Eugene Raudsepp

The creative person has many distinct attributes or characteristics by which he can be identified and that significantly differentiate him from those of his colleagues who are less creative or even non-creative. Research has uncovered 30 such attributes, which are described in this article.

What is the value of knowing about these attributes? First, a person can substantially increase his creative potential and output by consciously cultivating those attributes he

feels he does not possess to a sufficient degree at present. Second, this list can help the interviewer, charged with employing creative personnel, to formulate intelligent questions that would probe the presence or absence of these attributes. And third, understanding the characteristics of creative people will help supervisors and management to foster an atmosphere conducive for stimulating and developing their talents to the full.

For purposes of description

these attributes have been classified into three distinct groups: I. Temperamental or emotional attributes; II. Intellectual attributes; and III. Attributes pertaining to the creative process.

TEMPERAMENTAL ATTRIBUTES

The Creative Person Has

1. Sensitivity

One of the most important attributes of the creative person is his unusual capacity to see need areas, to be aware of the unusual or the promising in situations, and to note the "gaps" in products, processes and operations. He is able to note significances or oddities in situations which a less sensitive person might miss.

2. Constructive Skepticism

He is noted for his dissatisfaction with things as they are. He is using a questioning approach to almost everything he encounters and he refuses to lapse into passive acceptance of the status quo. He constantly looks into chance findings, comments and suggestions for potential problems.

3. Active Curiosity

The creative person has retained his intense curiosity about almost everything. He constantly delves into the rea-

son whys of devices, phenomena, and operations, into the cause and effect relationship, and he wants to improve upon existing things.

4. Initiative

When a problem or a difficulty has been encountered, the creative person usually proceeds to solve it without further ado. He shows "self-starting ability" by proceeding to solve the problem without waiting for somebody to tell him to do so.

5. Self-Confidence

One of the most serious blocks that stifles, inhibits, and sometimes even nips a budding career of a novice creative person in the bud, is lack of confidence in himself. The creative person has the confidence that eventually he will come through, no matter how many times he may fail initially.

6. Willingness to Take Calculated Risks

This is one of the more important traits of the creative person and of any progressive supervisory and management groups in companies. All creative work has a strong element of risk-taking in it and the creative person derives pleasure from this.

7. Openness to Experience

He is open to the complex and contradictory ramifications of experience. He has no fear-motivated need to close out the conflicting and ambiguous elements he encounters. He has the ability to receive much conflicting information without forcing upon the situation an immediate decision.

8. Openness to Feelings

The creative person has more energy, is more impulsive, and is more responsive to emotions and feelings than the less creative individual. He is able to bring a lot of buried material in the unconscious to conscious awareness.

9. Constructive Non-Conformity

He is willing to be different and can, at will, sweep the cultural, institutional and other barriers aside, and stand alone if need be. He is willing to fight for his inner integrity and for his right to fulfill and realize his uniqueness and his creative potential.

10. Strong Motivation

The creative person has a

strong motivation and he is keenly interested in the things he works with. There are areas in his work that evoke his spontaneous enthusiasm, almost a passionate concern for the problems involved and an urge to grapple with them.

11. Ability to Accept Criticism

The creative person has developed an unemotional, impersonal, and objective attitude toward criticism, and has learned to ignore that which is unfounded and to profit from what is useful and constructive criticism.

INTELLECTUAL ATTRIBUTES

12. Background of Knowledge

The creative person has an intelligence that is active and acquisitive. He is constantly engaged in the study of extreme variety of new, unusual and complex matters and is constantly expanding the sources and extent of his knowledge.

13. Creative Memory

Where the noncreative memory encapsulates or files its data and impressions in a neat order of independent cubicles and categories, the creative person's memory has permeability in its structural boundaries, so that all kinds of related or unrelated data and im-

Mr. Raudsepp is director of psychological research for Deutsch & Shea, Inc., technical manpower consultants, in New York City.

pressions and concepts can always be cross-indexed and inter-associated.

14. Powers of Observation

The creative person is a keen observer. The exceptional, contradictory, paradoxical or unusual happenings that occur are grist to his mill. He seldom takes the obvious for granted and he seeks to place his problems in ever new perspectives in order to arrive at solutions from unique vantage points. He also has the ability to see resemblances, similarities and analogies among a multitude of differences.

15. Originality

The creative person displays originality in his thinking in that he can think of more unusual, more unique solutions to problems. He can take apart firmly structured and established systems and create new ones from many disparate elements. He is able to see remote relationships and to associate ideas and facts into new relationships.

16. Flexibility

The creative person is able to choose and investigate a wide variety of approaches to problems, without losing sight of his over-all goal, and effect quick reorientation of approaches that different prob-

lems and projects demand. He is resourceful in finding and adapting the means for creating and he can readily jump from one approach to another.

17. Fluency

The creative person can produce more ideas per unit time than others. They may not all be good ideas, but the probability is high that in his list of alternatives there are one or more ideas that show real quality and can solve his problem.

18. Ability to Analyze and to Synthesize

The creative person is able to break down a problem into parts and perceive the relationships that obtain between the various parts and the whole problem. He is also able to synthesize creatively, which means that he has the ability to combine and arrange many elements in a way that result in the formation of a new "whole."

19. Ability to Think in Analogies

The insight that the ability to think in terms of analogies is a sign of genius goes back to Aristotle. He felt that no other ability can convey better an individual's creative stature, for it entails the discernment of meaningful bondages that

link separate phenomena. This requires imagination of the highest order.

20. *Tolerance of Ambiguity*

The creative person is able to tolerate a high degree of ambiguity. He is always ready to relax his binding habit-patterns, and he adheres as little as possible to preconceived plans or stereotyped solutions. He has also learned to tolerate uncertainty while ordering his thoughts.

21. *Ability to Think in Images*

The creative person first tries to "feel" or couch in imagery what he thinks or imagines, before "naming" it or making it conceptual. In this way he captures the immediacy of his thoughts and is able to retain all the uniqueness and novelty in the incipient insights.

22. *Intellectual Integrity*

The creative person is willing to listen to suggestions and criticisms, but determined to judge for himself. He has no biases, belongs to no school of thought or dogma, and his primary goal is truth, no matter where it might take him.

CREATIVE ATTRIBUTES

23. *Ability to Suspend Critical Judgment*

Nothing can inhibit the emer-

gence of creative ideas more than critical judgment applied prematurely during creative thinking. Judgment has its place, but only at the conclusion and not during or at the beginning of the creative process. During the "heat" of the creative process the creative person totally abandons himself in the ongoing creative current.

24. *Ability to Toy with Ideas*

The creative person occasionally becomes lost in what to an outsider would seem an irresponsible playing with ideas, forms, materials, relationships and concepts, which he shapes into all kinds of incongruous combinations. This apparently purposeless exercise loosens and strengthens the muscles of his originality and imagination.

25. *Ability to Concentrate*

The creative process requires a degree of concentration where the person becomes oblivious to everything else in his environment. During the creative process the creative person maintains an uninterrupted rapport with the "proposals" that emerge from his unconscious at the same time that he formulates them into something that makes sense.

26. *Ability to Tolerate Isolation*

When ready to think creatively, the creative person isolates himself from his environment in order to put himself into an actively receptive leisurely mood and to entertain the thoughts in any way connected with his problem. He frees himself from the usual environmental distractions and administrative or routine duties.

27. *Persistence*

Almost an heroic capacity for taking pains, obstinate persistence in the face of difficulties and frustrations, and a vast amount of sheer arduous work are the outstanding attributes of the truly creative person.

28. *Knowing when to Incubate*

During the creative process there comes a time when thinking becomes ponderous and heavy, or dull and clogged, when errors start to pile up and no significant new insights occur. This is the time when

the creative person ceases his work on the problem and turns to something more free and entirely different and lets his problem digest in the crucible of his unconscious.

29. *Discernment and Selectivity*

Creative individuals evidence a definite quality in their selection of elements to attend to when confronting a problem. They are able to choose the more fundamental aspects of the problem and cast the superfluous elements aside.

30. *Knowledge of when Productive Periods Occur*

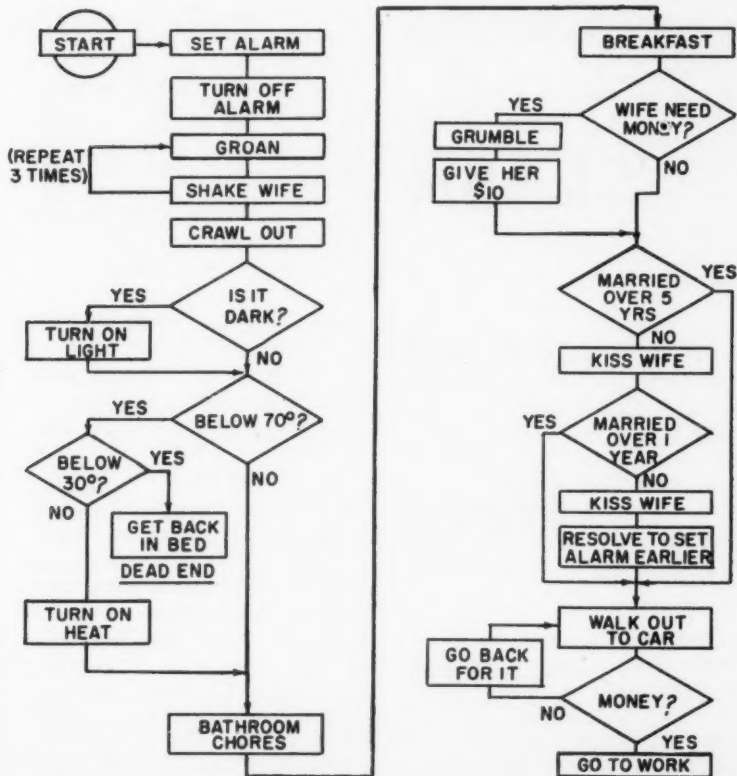
The creative person develops a "retrospective awareness" of the periods when he solved his problems creatively. He takes note of the methods that were successful and those that failed. He tries to learn "why?" by retracing the routes he followed and those he avoided as far as possible. He knows, in short, that self-knowledge in the area of creativity will facilitate idea-production.

TECHNICAL GAINS

At the turn of the century in the United States, only seven per cent of the total manufacturing work force was in the non-production category—scientists, engineers and highly trained technicians—while today the percentage is 24 per cent. The major portion of this gain was made in the past decade.

How to Get to Work in the Morning

Is getting to work in the morning your problem? It has been for centuries and men are still searching for a solution. Now it appears that the search is over. The editor (with thanks to the Esso Oil Company, the originator) is reprinting a flow chart for solving the daily problem of how to get to work in the morning.



Punched Cards SLASH Payroll Time

by Joseph S. Boswell

Outgrowing a payroll system is a common occurrence in business today and we have been no exception.

Our first growth pains were felt when The Marquette Metal Products Company became the Marquette Division of Curtiss-Wright Corporation. There had been some twinges prior to that time, but this transition made it evident that something must be done.

For years we had been paying our employees in cash, using a pay stub for record purposes. Pay was computed by extending information obtained from a clock card and a labor distribution sheet for each employee. With only about 450 shop personnel and an office force of some 150, the system seemed adequate for our purposes. Our former system gave us what information we needed, at that time, and reporting schedules were geared accordingly.

Marquette is engaged in the production of precision parts and assemblies, including standard line products and custom work to customer specifications. Our standard line includes hydraulic governors for diesel and gasoline engines, Precisionspring Clutches, electric and hydraulic aircraft windshield wipers and the

**Here's how Marquette Division of Cur-
tiss-Wright Corporation saved three days
on weekly payroll with a new system.**

Star*Port Steerer—a positive, mechanical power steering system for power boats.

Need to Reorganize

When our status change made us part of a very large corporation, we found ourselves confronted with new closing dates, new systems and an almost entirely new method of operation with regard to accounting procedures. Our former payroll system was not sufficiently flexible to take on the added requirements. It was necessary to revamp our procedures in order to become fully integrated into the Curtiss-Wright organization.

Luckily, we already had the means for laying out and operating a modern, efficient payroll system. A few years previously we had installed punched card equipment for handling other aspects of our business. However, we did not turn immediately to this equip-

ment without first investigating other available systems. We wanted to be sure the system we chose would do more than simply fulfill the basic requirements. We wanted a system that was economically sound and would become a fully integrated portion of our over-all accounting procedures. Our investigative results indicated a punched card system would satisfy the criteria we had established.

The next step was to formulate the system, first on paper and then by running actual machine tests. The results showed our entire payroll could be run on our IBM equipment in three days less than required formerly. Further, it was evident we would obtain much more in the way of statistical information—most of it as by-products.

Clock Card Is Foundation

Basic to the entire system is the employee daily clock card. This one card provides information not only for pay purposes but also for labor distribution sheets. Reporting

Mr. Boswell is office manager of the Marquette Division of Curtiss-Wright Corporation, Cleveland, Ohio.



Office Manager J. S. Boswell, left, and Data Processing Supervisor W. A. Schupp check one machine accounting control board.



The key to Marquette's payroll system is the employee daily clock card. This card provides information for not only the payroll but for labor distribution and efficiency report.

was delayed, since we had to wait for the labor to be distributed before we could account for hours worked. In addition, it was a continual problem to get shop people to report job time correctly. Now, with everything combined into one

card, the men know that if they don't report their time correctly, they hold up processing of the clock card, with a more-than-likely delay in receiving their checks.

By necessity, clock cards must be maintained on a daily



A sales report is run off on an IBM 402. This machine is also used to run payroll and deduction registers, checks for labor distribution and efficiency reports and year-to-date employee earnings reports.

Once the payroll is completed, the checks for distribution to employees at Marquette

is the
provides
ut for

Daily clock card is used by employee to record information on each job operation he performs. Cards are checked by timekeepers, turned in for processing after employee rings out.

Key punches are used for preparation of detail cards on each job operation recorded on the employee daily clock card.

basis. To do this, we work from a Master Clock (or Rate) Deck. The master deck contains a card for each employee with information as to clock number, shift, plant number, rate, type of labor and employee name. These are re-

produced daily on an IBM 519 Document Originating Machine, which also end-prints each card with identifying information: plant number, department number, clock number, shift and date. The punched information is printed

rt is run off on an
This machine is
o run payroll and
registers, checks,
bution and effi-
nts and year-to-date
arnings reports.

Once the payroll cycle is completed, the checks are readied for distribution to the employees at Marquette.



on the face of the card with an IBM 552 Alphabetic Interpreter.

The cards are then sent to the factory and placed in the racks at each plant time clock. They are then ready for the employees to use in ringing in at the beginning of each shift.

Each Employee Responsible

After ringing in, the employee keeps his clock card with him throughout the day. It is his responsibility to enter the appropriate information on the card for each job he performs. This consists of elapsed hours, part number, account number, operation number, department charged, total pieces made, shop order number and indicated standard pieces. Timekeepers work with the men and help to insure that proper information is recorded on the daily clock card.

The clock cards are collected each day after the men ring out in their home department and are approved by the foreman in charge. The cards are then sent to the machine accounting department for processing. No longer are there any delays. All of the necessary information arrives at the same time and work can begin immediately on both the payroll and labor distribution reports.

Several checks have been in-

stalled in the processing cycle to catch errors or missing cards. These usually consist of matching clock cards or detail cards against the master decks for clock cards, or deductions and the year-to-date summary deck.

Reports Prepared Easily

Labor distribution reports are obtained by keypunching detail cards for each job operation listed on the daily clock card. Total hours are punched into the daily clock cards and they are filed for later use.

Job costs for the various operations are obtained by extending the employee rate on an IBM 604 Calculating punch. A report is then run off on a 402 Accounting Machine listing labor hours and money expended by both production and nonproduction employees. This is done by account number. The report is an integral part of our Work in Progress Inventory record, which is composed of several other inputs.

A direct labor efficiency report is also prepared daily by calculating the per cent variance between actual hours and standard hours for each job. This report is used primarily by the shop foremen to enable them to increase the efficiency of their departments.

The daily clock cards are

again picked up, merged with the detail cards and processed through the calculating punch to extend total money amounts for regular and premium hours plus night shift differential, if any. This gives us the employee's daily gross pay.

It should be noted that this process is only a fraction of the work processed through our punched card equipment each day. Further, with our former system it was impossible to maintain labor distribution and efficiency reports on a daily basis. And, because of this, there also was a considerable time lag in our Work in Progress Inventory status reporting.

At the end of each week, the accumulated daily clock cards are processed to prepare the weekly payroll. A summary card is prepared for each employee and, as a by-product, we get a weekly labor report. The summary cards are matched with current deduction cards and net earnings are calculated and punched on the Calculator.

With regard to deductions, the system automatically stops computing the Federal Old Age Benefit tax when the employee's year-to-date earnings reach the established cut off figure for the year.

We then put the completed summary cards and deduction cards through the 402, giving

us: 1. a Payroll Deduction Register: 2. a Payroll Check Register: 3. the actual checks.

Significantly, we are able to process our entire payroll—hourly and salaried—using the same wiring board on the 402. This is accomplished by substituting "Retirement Fund" for "Union Dues" on the checks for salaried employees.

The pay summary cards are also used to up-date our employee year-to-date earnings card deck. With this operation, we have completed the cycle.

Flexibility Is Gained

As stated previously, this system satisfies the criteria we had established. Not only that, it can be readily expanded or changed to meet any new conditions. It is flexible—a factor that was not present in our former system.

As for advantages, this is best exemplified by the fact we now complete the weekly payroll three days sooner than with our former system. In addition, we receive information for payroll, labor distribution and other accounting requirements from one basic card—the daily employee clock card.

To put a dollar figure on our savings would be very difficult. However, in business, time is money and time is exactly what we are saving.

Conferences

Following is a list of NMA educational conferences dealing with various phases of management development and leadership skills. Please make further inquiry as indicated.



March 18—Henry Hudson Hotel, New York, N. Y. Sponsored by Greater New York Area Council. Contact Joe Kirdahy, 1 Davis Avenue, Staten Island, N. Y.

March 18—Salem College, Salem, W. Va. Sponsored by Tri-County Management Club. Contact Richard Wolfe, Hope Natural Gas Company, Clarksburg, W. Va.

March 25—Oshkosh State College, Oshkosh, Wis. Sponsored by Wisconsin Council of NMA Clubs. Contact Edward F. Pax, 940 Woodland Avenue, Oshkosh.

March 25—Austin College, Austin, Texas. Sponsored by Grayson County Management Club. Contact Jack G. Roper, Quaker Oats Company, Sherman, Texas.

March 25—Lima Senior High School, Lima, Ohio. Sponsored by Lima Management Club. Contact John Bourk, Ohio Steel Foundry, Lima.

March 25—Capital University, Columbus, Ohio. Sponsored by Central Ohio Area Council. Contact Al Shames, North American Aviation, Inc., Columbus.

April 1—Tutwiler Hotel, Birmingham, Ala. Sponsored by Alabama Area Council. Contact John Brasher, Hayes Corporation, Birmingham.

April 15—Morris Harvey College, Charleston, W. Va. Sponsored by Southern West Virginia Council. Contact C. H. Eppert, Jr., 212 17th Street, Dunbar, W. Va.

April 22—Washington High School, South Bend, Ind. Sponsored by Michiana Area Council. Contact Raymond Stone, Kawneer Company, Niles, Mich.

How's Your Staff Work?

by Lewis B. Lloyd

Individuals are often judged by their ability to express themselves in writing. And most of what people in general know of an organization is based on its written communications and publications. The effort to attain accuracy, simplicity and clarity in communications will be productive for any individual. It is essential for an organization.

A staff study is merely a formal report. It should contain all the necessary facts and a recommended solution which should require only approval

or disapproval. It should describe the problem and circumstances as simply as possible. It must convey the exact meaning of the writer without chance for misinterpretation. Its only purpose is to assist an executive in making a decision. In a broad sense this includes most of the written communications in an organization.

Here are a number of simple but effective points which will help the writer to produce a good study, and will help top management to prepare the way for a good study.

Seven Points for Person Making the Study

1. Study the problem. Lay out a complete and workable plan detailing what is to be done.
2. Talk to other staff people. They are very probably going to determine the actual success or failure of your recommendations. If they say your ideas won't work, let them tell you what will work. Talk to the men who are going to do the leg work and the report making which your recommendations may require.
3. Restudy and rewrite.
4. Does the rewrite present a clearcut, proposed action? Has it been coordinated with all the departments concerned? Have you talked to everyone essential to your proposed action?
5. Is it too long? (Sometimes our best lines are not really

essential to the report.) Is it full of details which you had to know to make the report, but which are not essential to the boss in making his decision? For example, you may have studied several alternative methods before selecting one. Correct solutions are usually recognizable.

6. Have you actually advised your boss what to do? Remember that he didn't hire you to ask him what to do. He thinks you can advise him.

7. Take a good hard look at your study. If you were the boss, would you stake your professional reputation and money on it?

Seven Points for the Boss when asking for the Study

1. You must know the general area and background of the problem on which you are asking for advice, because your primary job is to determine rather quickly whether the report makes sense or not.

2. Did you, in fact, ask for advice? Did you make the man individually responsible to you for a solution?

3. Did you state the problem clearly? Did you give the reasons and the background? And did you limit the area to be studied?

4. Did you tell the report writer enough of your experience in this problem? If your experience is not passed on, you defeat your purpose.

5. Did you set a deadline? Did you instruct the report writer to report to you immediately if he discovered that he would need more time?

6. Did you say, specifically, that you expected and would be available for discussion as the work progressed?

7. And, finally, if you were making the report, would you consider the information, instruction and guidance adequate for the assignment?

Is all this necessary? Well, a staff study can be a multi-edged sword. If handled clumsily, it can cause considerable friction in an organization or it can present a very poor appearance to the public.

If done with a firm clear-cut purpose and method, it gives top management, the staff people, and the entire organization a fine opportunity to present their best side to the company and to the public.

Employee bonuses, dividends, incentives help cement labor-management relations.



It was Henry Ford who instituted one of the first profit-sharing plans in the country. In his book, *My Life and Work*, the precedent-making business genius said emphatically: "The boss is the partner of his worker, the worker is partner of his boss. . . . It is utterly foolish for capital or for labor to think of themselves as groups. They are partners. When they pull against each other they simply injure the organization in which they are partners and from which both draw support."

Many years have passed since Ford broke this new ground for American labor-management relations by offering his em-

ployees a good-sized annual bonus as their share in the increased profits and productivity of his company. What was then a new and even a disputed idea has today boomed to tremendous proportions. At present, there are some 25,000 companies in the country who have profit-sharing plans.

What makes a good profit-sharing plan? Kenneth M. Thompson in his book, *Profit Sharing—Democratic Capitalism in American Industry*, says: "An understanding of profit-sharing mechanics is a basic requirement. The plans of representative profit-sharing companies provide an indicator of the variety of arrangements in industry. Profit-sharing

should be the result of a sincere conviction, based upon investigation, that it is the best of the many divergent employee benefit programs available for adoption.

"Each company should construct its own profit-sharing program," Thompson says further, "tailored to its particular needs. This requires the best efforts and contributions of both management and labor. Aid from outside sources is helpful but can never substitute for the active participation of company personnel. A plan should be not only legally binding, but also intelligible to the employees. In presenting the proposed program to the workers, opportunity should be given for democratic free discussion. Labor participation in proper administration gains not only an initial favorable response, but helps assure continuing interest and responsibility.

"Successful profit-sharing," Thompson concludes, "is in reality a facet of democratic administration in industry. When joint management-labor procedures are fostered through employee profit participation, profit-sharing becomes a means of underwriting business success."

A short while ago the employees of the Eastman Kodak

company of Rochester, N. Y., split a huge \$35,700,000 melon—their "wage dividend."

Kodak's profit-sharing is tied in directly with the company's operating success, and is dependent upon the cash dividend declared on the company's common stock. In this case Kodak employees received a \$31.75 dividend for each \$1,000 they earned at Kodak over the past five years. It was George Eastman himself, back in 1912, who first decided to, in his own words, "declare a dividend on wages." Since then an estimated \$75 million has been distributed to Kodak employees under the plan.

Anyone employed on or before October 1 in the given year and still on the payroll on December 31 receives his share of the wage dividend. An official of the company believes that, because of this profit-sharing "a strong and evident relationship is established between the interests of the stockholders and the Kodak employees. Kodak men and women recognize the mutuality of interests and the fact that good work is clearly in the best interests of both groups." The official makes it clear however that: "Wage dividends have never been considered a substitute for wages and they are not taken into account by the

company in establishing wage rates."

At the Lincoln Electric Company, profit-sharing is referred to proudly as "Incentive Management." Employees are rewarded for their part in their company's greater productivity with a handsome year-end bonus, that often amounts to more than twice the sum they'd already earned during the year. In one typical year the overall incentive bonus topped \$4.5 million. James F. Lincoln, the company's board chairman, refers to incentive management as a "realistic, common-sense approach to human relations in industry. If undertaken by all manufacturers, American industry would double our standard of living immediately."

Don Borg, the young publisher of the Bergen Evening Record, a thriving newspaper in Hackensack, N. J., refers to his employees as "payroll partners." The description is indeed appropriate, as at the end of each year 50 per cent of the newspaper's net profits, above six per cent on the owners' net invested capital is distributed proportionally among all full-time employees. "By splitting profits," Borg believes, "everybody is a partner in the enterprise and there is no divided loyalty."

A modeler at the Solar Aircraft Company in San Diego, Calif., had been with the company for over 10 years and his share in Solar's profit-sharing fund had already mounted to a sizable nestegg of \$1537, payable in event of his death, disability or retirement. At Solar, profit-sharing, based on the company's contribution of 12½ per cent of its net profits before taxes, is open to all workers on the basis of a sliding scale of earnings multiplied by number of years of service to the company. What has been the fund's effect on the employees? One employee probably summed this up best a short while ago when he said: "You find a guy chattering away on a machine and hacking up a piece of material and you get in and remind him that he's cooking some of the profits."

The Palomar Food Company, also in San Diego, sets aside 27 per cent of its profits each year for disbursement among all its employees.

And in Alexander's Department Store chain in New York City, each employee can voluntarily allow 10 per cent of his weekly salary to be placed into the company's profit-sharing plan. When the worker's deducted amount reaches \$50 the company matches it and the

employee receives a company bond in the amount of \$100. The worker can redeem the bond for its face value simply by selling it back to the company, but it's to his advantage to keep the bond as long as he can since it yields five per cent interest annually. Several employees now own as much as \$5000 in profit-sharing bonds, after having invested only \$2500 of their own money. As one employee told me: "I'm saving this money for the future so that I won't have to lean on others when I retire. Profit-sharing is a wonderful plan."

Our banks have also jumped on the profit-sharing bandwagon. "One of the finest ideas in the world," says Philip J. Potter, vice-president of the Second State Trust Company of Boston, Mass. And George F. Sisler, vice-president of the First National Bank of Chicago, says: "I have studied this question at first hand among a large number of companies, and I am a great believer in the possibilities of a sound profit-sharing plan, properly administered."

An employee of the Harris Trust and Savings Bank in Chicago retired from the company at the age of 60. He'd been working for the bank for 40 years and at retirement date was earning \$5000 a year.

Thanks to the bank's profit-sharing he was now receiving a retirement income of \$4531. Another employee, in the \$7500 salary bracket at retirement, is now receiving a retirement income of \$6273 annually. Still another employee, in the \$25,000 managerial salary range, receives a retirement income of \$14,412. Everyone at Harris, employer and employee, has thus profited from profit-sharing.

The big boom in profit-sharing even extends to our new State of Hawaii where there are now some 150 profit-sharing plans in force. Robert R. Midkiff, the vice-president of the Hawaiian Trust Company, which acts as trustee for most of these profit-sharing plans, says: "Profit-sharing has been called 'The Keystone of Industrial Harmony' and the idea of sharing profits with the employees who helped to earn them is so fundamentally sound that it is remarkable that it has taken this many years to catch on in America . . . with profit-sharing the employee's creative imagination is needed in order to promote company profits, and the results of his extra effort and that of his fellow employees are shared. In effect, he is taken into partnership with the owners. . . ."

Does a company have to be

big to be a successful profit-sharer? Dr. Robert S. Hartman, in his "Profit-Sharing Manual" points out: "It is safe to say that any company of any size can install profit-sharing and that the success of the plan will not depend on the size of the company so much as on the administration of the plan. But that administration must be different, of course, with different sizes."

Among the smaller companies who share their profits are the Pawling Rubber Company at Pawling, N. Y., and the Arwood Precision Casting Corporation in Brooklyn, N. Y. Pawling's plan was started in 1950 and gives full-time employees with at least one year of service 15 per cent of adjusted net operating earnings before federal income taxes, determined on a pro-rate of salary basis, payable in full upon the workers retirement at age 60, or disability. Under an investing arrangement the worker receives 40 per cent of his benefits if he has less than six years tenure, 50 per cent at six years, and an increase of 10 per cent a year until, after 12 years employment, he receives the full amount.

At Arwood, the company deducts 1¼ per cent of the value of its common and preferred stock, plus consolidated sur-

plus before taxes and 50 per cent of what is left. Benefits are shared by employees on the basis of the importance of their jobs to the company's success. Payments are made quarterly.

There is no actual provable way to compare the results from accelerated employee initiative and firm attention to detail that comes under profit-sharing, and the results when the same business conditions prevail when there is no profit-sharing; but most companies that practice profit-sharing are convinced that the millions of dollars that have gone to employees under these bonus programs have actually come out of the profits from increased employee efficiency and haven't actually cost the company's stockholders anything.

Sartell Prentice Jr., a profit-sharing counsellor, who has helped a number of companies with their plan, told me: "It is axiomatic that two employees working together can accomplish more than three working separately, and that

Alfred K. Allan, who lives in New York City, is a contributing editor to PARTNERS, the magazine of labor and management, and his articles on business and general subjects have appeared in several hundred American periodicals.

two hundred working together as a team can produce more than 300 or 400 working separately.

"Profit-sharing emphasizes the togetherness, the unity, the

oneness of interests and hopes and purposes of all persons engaged in a business." Prentice concluded in affirming the big nation-wide boom in profit-sharing.

NMA Club Anniversaries

MARCH

- 5 Years:** Harbinson-Walker Management Club Hays, Pa.
Harbinson-Walker Hoosier State Management Club E. Chicago, Ind.
Harbinson-Walker Management Club Windham, Ohio
Frankfort Management Club Frankfort, Ind.
Harbinson-Walker Association of Maryland Baltimore, Md.
- 10 Years:** Foremen's Club of Oshkosh Oshkosh, Wis.
- 15 Years:** 1848 Foremen's Club Buffalo, N. Y.
National Carbide Management Club Louisville, Ky.

APRIL

- 5 Years:** Harbinson-Walker Management Club Vandalia, Mo.
Harbinson-Walker Management Club Fulton, Mo.
Detroit Steel Corporation Management Club Portsmouth, Ohio
- 15 Years:** Columbus Auto Parts Management Club Columbus, Ohio
Dextrex Management Association Detroit, Mich.
Union Steel Products Company Management Club Albion, Mich.

Diversifying

Military

Companies

by Murray L. Weidenbaum
Staff Economist
Boeing Airplane Company

As a result of the sharp shifts and reductions which have occurred in defense spending in recent years, many companies specializing in military production have been attempting to diversify into commercial lines of business.

On the basis of experience to date, it appears that penetrating non-military markets is not a simple matter. Many problems are involved which do not exist for military production and sales, or which may require different solutions.

Each of the following factors can be crucial in influencing the success of a commercial venture by a military supplier: The state of the economy; the market for the product; the productive capability required; the type of distribution needed; the financial requirements; and

changes in organizational structure.

State of the Economy

In the period immediately following the end of World War II there was a tremendous unsatisfied business and consumer demand for the goods which had been in short supply or unavailable during the war years. Almost any standard item which a defense company could manufacture quickly could have been marketed during the years 1945-1946. The competitive situation is quite different today. A period of hard competition has resulted in mergers, discontinuance of various civil product lines, and other forms of retrenchment in order to survive in the commercial market. Moreover, the outlook is for increased com-

petition and hence, increased selectivity in the choice of products to be introduced and markets to be penetrated.

Market for the Product

Performing market research for commercial items is quite different in many respects from gauging the market for military products. It is not a matter of estimating the strength of potential aggressors, or the requirements of our own military force objectives. Rather, it is a matter of forecasting the level of a fairly specific business and/or consumer demand, depending on the nature of the product.

In the case of an established civilian product, the demand level may be fairly predictable. The consumption of paper, for example, follows very closely fluctuations in the nation's individual incomes. The manufacture of such products as tobacco, cotton, and textile bags has followed straight line trends for the past 15 years. In contrast, sales of new products have usually been more erratic. The production of television sets and antibiotics rose spectacularly during the years immediately following the end of World War II. However, the production trends leveled off as the markets became relatively "saturated" and sales have

been rather sluggish in more recent years.

When surveying the potential market for a new product, particular consideration must be given to existing products which the new item must compete against; current and foreseeable shifts in the structure of business and consumer demands, and plans of potentially competitive firms. For example, in 1956 a number of types of structural steel were in short supply. However, it would have been extremely risky, on the basis of the current strong demand levels alone, for a non-steel manufacturing company to have begun the construction of a steel mill in order to take advantage of the apparently good market in structural steel. Then, several other factors were present.

First of all, existing steel companies had under way substantial expansion programs to more than cover unfinished short-run demands. Moreover, surveys of business investment intentions at the time showed that most firms were curtailing their planned capital expansion programs for the next several years. Hence, the supply of structural steel was in the process of being expanded at a time when the demand was tapering off. This was not a desirable period for a firm to

enter the business of manufacturing steel.

Productive Capability Required

The basic factors required for productive activity are plant and equipment, materials, man power, and management organization. Each of these factors is needed in very specialized forms. In the case of military manufacturers, the factor of plant and equipment presents a number of complications. The greater part of the plant and equipment is owned

for production in order to make economic use of the facilities.

The other factors of production—materials, man power, and management—are usually available with less difficulty. In fact, a major reason for defense companies diversifying into other lines is to maintain their productive organizations in being.

Type of Distribution Needed

The marketing organization required by a military weapons manufacturer is rather minor

Many crucial factors enter into the successful diversification of a military supplier into commercial lines of business.

by the Federal Government and is used in connection with military contracts.

Before these government-owned facilities may be used for commercial production, arrangements have to be made with the military service involved to lease a portion or all of one or more structures. Moreover, these facilities are quite specialized. The nature of defense plants and the type of equipment which they contain set limitations on the type of civilian production which can be carried on. Also, the scale of these plants is such as to set fairly high requirements

compared to that of the typical firm selling to the civilian market.

The type of marketing organization required for civilian products will vary with the type of product and with the market to be penetrated. In the case of production on subcontracts for other firms, the sales job would be performed prior to production and would normally be done by a limited staff. In the case of sales of some end products, franchised representatives, jobbers, and other wholesale distributors often assume the marketing responsibility. For direct sales

to other industrial firms, a sizeable but limited marketing staff would be required. In contrast, sales to the consumer market often require the establishment and maintenance of large sales and advertising departments, particularly where brand identification is desired.

Financial Requirements

The major defense manufacturing companies operate with far less privately-supplied capital than do other corporations with comparable sales volumes. This situation arises because the Department of Defense usually supplies most of the plant and equipment and, in the form of progress payments, a significant share of the working capital required.

For the aircraft industry, for an example, invested capital in 1955 equaled six per cent of total sales, and corporate net worth (invested capital plus retained surplus) equaled 15 per cent of sales. The corresponding ratios for industry as a whole were significantly higher—18 per cent and 44 per cent, respectively.

The military manufacturer who embarks upon civilian production must be prepared to meet the additional financial demands which may arise. In the case of a company renting

government-owned plant and equipment, the major financial requirement would be for adequate working capital, particularly until a satisfactory sales volume has been attained.

A corollary of this situation is that the companies producing for the military market achieve a greater proportionate return on their investment than other manufacturing companies. The expansion in civilian markets would tend to reduce this ratio. In 1955, the major airframe manufacturers earned before tax, profits of 50 per cent of net worth and after tax, profits of 24 per cent of net worth. In contrast, manufacturing companies as a whole experienced a 24 per cent pre-tax and 12½ per cent after tax return on net worth during the same period. It should be noted that a number of individual non-aircraft firms have attained returns on net worth, as well as profit on sales percentages, substantially in excess of those for the aircraft industry.

Organizational Structure Changes

The expansion of a company's product line or of its market area often necessitates changes in its organizational structure. As a first step, many companies establish a new products group.

It has been reported that the

odds are five-to-one against success for a new product after it reaches the market. Many companies have been without organized product development programs despite this pressure. The problem has been attributed to two major factors: (a) the failure by management to appreciate the complexities of introducing a new product into today's competitive markets; and (b) the reluctance of various departments to surrender any of their control in the development of new products. It is found that most successful companies make use of a product planning group that concentrates specifically on smoothing product development. These may be either of the advisory and coordinating nature or an operating unit of the company.

For example, one major company uses a committee consisting of representatives from each major division of the company—research, engineering, manufacturing, market research, and sales. The committee meets from time to time

during all stages of product development to discuss the problems faced by each department. It advises top management on the solution of interdepartmental differences, but does not make any direct operating decisions.

Another large company, on the other hand, established a product development group within each division. An operating unit, it is responsible directly to the general manager of the division. The group supervises all phases of new product development, directing the various departments on the individual phases on which they are working.

A number of manufacturing firms specializing in military production have established new divisions at various times to handle their actual or anticipated commercial business. Separate divisions for military and commercial activities may have especial merit where both use parts of a single government-owned facility for production of different types of items.

Kindness works simply and perseveringly; it produces no strained relations which prejudice its working; strained relations which already exist it relaxes. Mistrust and misunderstanding it puts to flight, and it strengthens itself by calling forth answering kindness. Hence it is the furthest reaching and the most effective of all forces.

—ALBERT SCHWEITZER

***"Never do anything you can get someone else to do"
has helped many top management men climb the ladder
of success.***

DON'T

Do It All Yourself

by Henry N. Ferguson

To reach their goal, men of vision and imagination—men who get things done—accept help wherever they find it. "Never do anything you can get someone else to do" is the credo upon which many famous executives have climbed the ladder of success. People who accomplish things seldom attempt to do all the work themselves. A classic example is Mark Twain's story of how Tom Sawyer promoted the whitewashing of his fence. He made the job seem so fascinating that his playfellows were anxious to pay for sharing the chore. Young Sawyer's tactics work just as well in real life, both with adults and children.

Andrew Carnegie was only a youngster when he captured the habit of delegating work to others. It all happened because he chanced to be raising pet rabbits. Starting with a few bunnies, they increased so fast he was kept busy building new hutches. Showing a flash of the shrewdness that was to be his hallmark in the future, Andy solved the problem by offering to name a rabbit family after any playmate who would help to take care of the multiplying tribe. Neighborhood kids begged for work so that his name would be painted over the hutch for which he was responsible.

In later years, Carnegie ap-

plied this lesson when putting together his iron and steel empire. For instance, the president of the Pennsylvania Railroad became an unpaid salesman when Carnegie named a new steel-rail factory for him. Afterwards, of course, the railroad bought most of its rails from this plant.

There are those who think that Nikola Tesla, the electrical inventor, was a more brilliant man than Thomas Edison. But Edison was the man who got results—and is remembered. Unfortunately, the Austrian-born Tesla had a suspicious streak which was intensified after he was cheated on one of his early inventions. From that time on he insisted upon working in secrecy.

On the other hand, Edison encouraged young engineers to work for him. Many of them were responsible for the launching of fantastic new industries. For their part, they were proud of the chance to cooperate with the Wizard of Menlo Park, and later organized an admiration society called the Edison Pioneers. Because Edison drew these young men to him, he not only got more done for himself, but developed the first research group in the world.

Some men seem constitutionally unsuited to enlist the aid

of others. They are continually fearful that others will take credit, beat them out of their jobs, or steal their secrets and compete against them.

The Western Electric Company's plant in Chicago had a complicated piecework method of computing wages. One day an employee discovered a short-cut for figuring the totals in his head, but would not divulge his secret, because he wanted to remain the indispensable man.

Walter Gifford, just out of college, had gone to the factory against his father's advice. Gifford thought if the close-mouthed employee could calculate in his head, a college graduate should be able to learn the trick too. Several weeks later Gifford did discover the short-cut and immediately divulged it to the payroll clerks. As a result, when a new manager was needed in the Omaha branch, Gifford got the appointment. At 40 he was president of the American Telephone & Telegraph Co.

When the fabulous James B. Duke was creating the American Tobacco Company, he had occasion to keep an eye on an employee who was in charge of his Far Eastern market.

One day this man, James A. Thomas, was recalled to the home office. "How many men

do you have in China who could take your place if you died suddenly?" Duke asked Thomas.

Thomas took a sheet of paper and began jotting down names. When he had finished, he handed it to Duke. "Any of these men could take my place right now," he said.

"Twelve men!" chortled the big boss. "If you have a dozen fellows ready to do your work, you're worth more money to us."

Frank Woolworth failed several times when he was attempting to start five-and-ten-cent stores. Just as he was beginning to succeed, he was stricken with a serious illness. He was amazed when the illness did not ruin him.

"Not until then," he said later, "did I realize that it wasn't necessary for me to attend to every detail myself. I hired a bookkeeper; I even learned that others could buy goods, run stores and do everything else just as well as I could. This understanding marked the beginning of my success."

Alfred Nobel was a terrific

worker, but he was constantly searching for someone to give him a helping hand. "It is my rule never to do myself what another can do better, or even as well," he wrote his brother. "Otherwise I should long ago have been worn out, and probably ruined as well, for if you try to do everything yourself in a large concern, the result will be that nothing will be done properly."

There is a social butterfly in our town who is a combination career woman and housewife. With five children and no household help, she attends—or gives—parties, almost daily. She does it by getting the children to help her. Each has definite responsibilities around the house.

She gets things done because she delegates the managing of the family, just as she delegates her work as a proficient executive. She practices the motto that is subscribed to by so many successful executives: "Never do anything if you can get someone else to do it." It gets things done and at the same time develops responsibility and loyalty in those who help you.

The culminating point of administration is to know well how much power, great or small, we ought to use in all circumstances.

—MONTESQUIEU

Act on Fact

by James M. Black



Jim Cole was angry. He was out of a job—fired after 10 years of faithful service.

"Well," thought Cole, "we'll see. The company says it got rid of me because I missed work too much. Can a man help it if he's sick? Besides, I didn't get the axe for absenteeism. My supervisor didn't like the way I pushed employee grievances when I was union president. He has a grievance coming now that will make him squirm. Mine!"

The Arguments: Pro and Con

Cole filed a grievance, and eventually it came before an arbitrator. Here are the arguments the union used to defend Cole.

"The grievant is a victim of discrimination. The company, especially his supervisor, resented his activities as union president. Absenteeism was used as an excuse to terminate Cole. He missed work sometimes, but not excessively. It would have been overlooked in another employee. Cole's supervisor disliked him. That's why he was not given the apprenticeship he wanted, and why on some occasions other employees were recalled from lay-offs before Cole. Other men with less seniority have gained a better standing in the bindery department despite the fact that Cole is more capable at his job. The grievant should be reinstated and given his back pay."

Countered the company, "Cole's absenteeism was excessive. Much of it wasn't due to illness, either. Even if it had been, we are still justified in dismissing him. We are in the book business. It is critical and essential that there be no poor work or delays in production when products reach the bindery. If we can't

count on Cole's services there we have the right to replace him.

"We deny that the company or any of its supervisors discriminated against the grievant. When other employees received their recall notices before Cole, it was because they were better qualified. If Cole had believed he was being unfairly treated he could have filed a grievance. He never did.

"Actually, it was Cole's unreliability that prevented him from receiving the apprenticeship and stood in the way of his advancement. His absentee record was 9.8 per cent in 1958 and 11.4 per cent in 1959. For consecutive months at a time it ran as high as 15 per cent. The rate of absenteeism for the plant as a whole averages less than 3 per cent.

"The grievant gave us a letter last year from a doctor which read: 'Mr. Cole has been under my care for several years. About 14 months ago he suffered an attack of hepatitis. I released him for work, although there are still times when he suffers attacks and is unable to work steadily.'

"We consider this report very vague.

"Finally, Cole has been frequently warned about his absenteeism. Three months ago

he was told that any further absenteeism might result in disciplinary action. A month later he received a similar warning. Within the past two weeks he was given a notice that stated, 'This is a final warning. We can no longer tolerate your constant and unwarranted absences. Further violations may result in discharge.' It is true that Cole refused to sign the warning notice as his supervisor requested, but he admits receiving it. In view of the record, and in view of the fact that many of Cole's absences were not caused by sickness at all but were due to personal reasons, we ask you to dismiss this grievance."

The Arbitrator's Opinion

The arbitrator considered the facts. This is the opinion he gave.

"An employer is entitled to regular attendance from employees. If an employee develops some sickness or disability that renders it impossible for him to perform his work on a regular basis, and it also appears that he will never regain his ability to do so, it is obvious that some changes will have to be made. In some instances the discontinuance of the employer-employee relationship becomes necessary if

the company believes the employee is malingering or exaggerating after effects of an illness as a doubtful excuse for excessive absence.

"The book business is seasonal. In the spring and early summer the bindery department handles a great volume of work, and needs its employees.

"The grievant is a senior employee and usually retained on the payroll during slack periods. The company agrees that his work is good when he is willing to devote himself to the job. However, neither the grievant nor his union disputes management's evidence regarding his absenteeism. The record is deplorable, and does not include times the employee was away from the plant on excused sick leave or attending to union business.

"The company has introduced evidence to show that Cole's absenteeism created problems. On one occasion he failed to report at the scheduled time and caused a disturbance in the department when he finally did appear to find a younger employee doing his job. Another time he was excused to attend a brief union meeting and failed to return when it was over. Once he telephoned to say he was sick. Later he was seen at a neigh-

borhood tavern, apparently in excellent, even hilarious, health. These instances indicate the attitude of the grievant toward his job.

"I have studied every instance of alleged discrimination that the employee mentions. The facts force me to accept the company's explanation and to conclude there was no discrimination. Indeed, there is very good reason to believe that his supervisor made every effort to explain the facts of each situation as it occurred to the representatives of the union.

"The union has said that management should have notified its officers that Cole could expect discharge if he didn't mend his ways. In theory I agree that this is good practice. But the agreement between the parties does not contain any such provision. It expressly limits the grievance procedure and the arbitration included in the same to 'Any justifiable request or complaint which involves a question of interpretation or application of, or compliance with the terms of the agreement.' Even if there were no other restrictions upon the arbitrator's authority, he is expressly limited by the agreement to decide whether any terms of said agreement have been disregarded by the em-

ployer. None appears to deny nor to qualify the right of the employer to terminate employment for excessive absenteeism where the employer has taken that step consistently with a policy which appears to have been regularly applied in past instances.

"The contract does not contain any specific provision for excusing excessive absences. The grievant's case is also weakened by the failure of the union to introduce any direct medical evidence or to have Cole's doctor brought to the hearing to report on the state of his health. It was not even stated by the grievant that his absences were all, or mainly, due to specific medical advice, or that he had in each case, a few cases, or even in one case been to see a doctor to receive treatment when he was absent because of sickness. Therefore, there is no clear evidence that establishes hepatitis as the reason for the excessive absences of the grievant. Even if this could be proved, under the terms of the agreement between the company and the union there would still be no alternative but to disallow this grievance. Therefore, it is awarded that the grievance herein concerning the dismissal of James Cole is disallowed and dismissed."

Sound Labor Relations

James Cole's dismissal stood the test of an arbitrator's close scrutiny. Why? First, the provisions of the contract that covered the grievance procedure and arbitration were precise and clear. No fuzzy wording, no inconsistent clauses enabled the grievant to escape punishment on a technicality. Secondly, Cole's supervisor knew his business. His actions gave his management a firm foundation on which to base its arguments. He knew Cole claimed his health was bad, but he didn't act impulsively. Disputes over health are always tricky. So the supervisor gave the employee every chance to make a full recovery after the doctor had released him from his attack of hepatitis. However, when it became apparent that the employee was taking advantage of the situation, he didn't let the fact that he was dealing with a powerful union officer deter him. He warned Cole on three occasions, the last warning being a written notice stating that the penalty of discharge would probably result unless there was an improvement in the attendance record.

The supervisor also must have anticipated that Cole would claim discrimination if

any action were taken against him. The record shows he (the supervisor) was extremely careful to see that no charge of unfair treatment could be entertained. Such strategy could be expected. Cole was powerful in the union—had served as president of the local. The cry of unfair treatment when discipline is taken against a union officer is almost standard procedure. Sometimes it works before an arbitrator, especially

if a grievant can point to irregularities in the application of his punishment. Cole couldn't do this. The supervisor had a reasonable and logical explanation ready for each incident of alleged discrimination that the union offered in his defense.

The case of James Cole, past union president, demonstrates the value of sound contract administration. Management's case was airtight.

This case is based on one described in the Labor Relations Reporter. All names are fictitious. The case has been altered somewhat to illustrate certain principles of supervision.

NEXT MONTH ---

If at First You Don't Succeed by Bradford B. Boyd

What one superintendent learned in his attempts to appraise performance of his managers.

How to Handle Your Tensions by Dr. D. H. Robinson

You can make your tensions work for you if you use these emotions constructively.

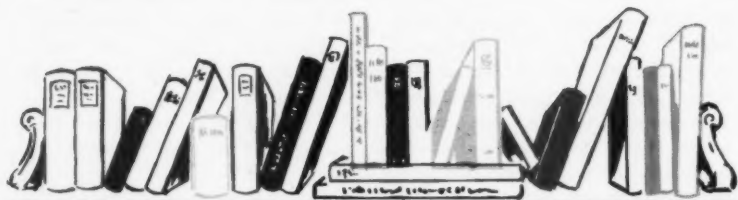
Help to Improve Production by E. M. Marshall

Novel ideas are needed to improve production. Your idea could mean increased profits for your company—and you.

Check That Grievance by Beryl Harold Levy

Alert, intelligent foremen can halt groundless grievances short of costly arbitration.

MANAGEMENT BOOKSHELF



HUMAN RELATIONS IN BUSINESS

by Keith Davis

This month's selection is reviewed by Norman George, NMA manager of research and development.

This is a good treatment of a topic that has probably been more abused in recent years than any other in management literature. The manager should find this a refreshing book to read, study, and have at hand for referral.

The tenor of this book can best be reflected by the words of the author himself: "I have tried to present a book with content and substance, rather than elementary platitudes and wheezes," he says in the preface. Maybe this will disappoint those looking for something like "how to motivate everybody to do practically anything in three easy lessons." On the other hand, it will be

pleasing to those who realize that understanding and insight into human relationships in business and industry is not a subject that can be treated lightly and superficially if any meaningful results are expected. And we would guess that NMA members fall into the latter category.

Davis obviously has studied and assimilated the research findings in psychology and sociology as they apply to the industrial situation. This is not simply a survey of human relations research, however. Far from it. One of the most useful aspects of the book is the author's judicious selectivity in relating human relations principles and concepts to specific management functions. The organization of the book gives an indication of the approach used by the author in making it meaningful for the manager. The book is divided into four main sections. Part One deals

with *The Nature of Human Relations*. Having examined the broad aspects of the topic, Part Two goes into *The Framework of Human Relations Problems*. In Part Two, the author looks at application in such broad contexts as the work environment, the formal organization, staff and other functional relationships, informal organization and the labor union. Part Three is called *Management Action to Improve Human Relations* and indicates how it can be applied in specific situations

such as: Effective supervision, communicating with employees, development of participation, wage administration, procedures and work systems, and employee counseling. Part Four is devoted entirely to case problems. The case material is excellent.

This is a book that can be highly recommended without reservation. The author has performed a most useful service in translating human relations principles and research findings into guides for action.

ORDER FORM

The National Management Association
333 W. First Street
Dayton 2, Ohio

Please send me _____ copy(ies) of **HUMAN RELATIONS IN BUSINESS**, by Keith Davis at the special price of \$6.00 which represents a 20% discount from the regular price.

Name _____

Number and Street _____

City _____

Zone _____

State _____

Member of _____ Club

If individual member, check here _____

CHECK OR MONEY ORDER MUST ACCOMPANY YOUR ORDER.

This plan is made possible by saving certain costs such as billing.

at a glance NEWS

Electric Tractors

Giant tractors and bulldozers powered entirely by electricity are the newest machines to find an application in the fast-changing construction equipment market. These wheeled powerhouses are products of R. G. LeTourneau, Inc. of Longview, Texas.

Electric drive in LeTourneau's new "Pacemaker" electric tractors powers every wheel individually by its own DC motor and gear reduction. All the wheels are connected to a diesel-electric generating set, much as several household appliances might be operated from one power circuit. This propulsion system is said to give greatly increased efficiency because power is distributed proportionately to the wheels that have the greatest demand.

Electric wheel drive is the common denominator of all mobile equipment now manufactured by LeTourneau. The "Electric Wheel" is a compact power package that may be employed in any multiple, on any of the company's machines.

Since 1958 it has been making its appearance on scrapers, ore-haulers, and compactors. Now diesel-electric drive for heavy-duty tractors expands the principle to include the construction industry's most universally used machine.

Literature describing the new electric tractors is available on request from the manufacturer.

Solve Filing Problems

Mass filing, the last of the manual clerical operations in modern office work, is now a push-button operation. New units of office equipment introduced recently by Diebold, Inc., eliminate the extravagances of lost time, wasted motion and unused space in record maintenance.

Designed to handle documents of any practical size, Diebold Open Shelf Power Files are available in three standard models with 12, 14 and 16 shelves. All shelves rotate in an upright position with a three second cycle between successive shelves. A priority pilot directs the unit to the shortest route, reducing travel time to a minimum. Standard models have either 38 or 50-inch wide openings and are available for letter or legal size records.

For further information write Dwight Beatty, Diebold, Inc., Canton, Ohio.

GIANT BOTTLES? GUESS AGAIN



The booster stage for NASA's Centaur launch vehicle has entered final assembly at the San Diego plant of Convair (Astronautics) Division of General Dynamics Corporation. The booster airframe, just beyond the missile in the foreground, is identical to the Air Force Atlas missiles in adjoining docks, except that it is of constant 10-foot diameter, not tapered at forward end. This gives the Centaur booster added fuel capacity. The 10-foot diameter Centaur upper stage, also under development at Convair, will be powered by Pratt & Whitney liquid hydrogen engines. NASA plans to launch the first Centaur flight at Atlantic Missile Range in mid-1961.



A study-by-mail safety course for industrial foremen, developed by the National Safety Council, has solved the perennial problem of keeping these key men on the job while they acquire the necessary safety know-how.

The course—based on educator-approved teaching methods as used in the Armed Forces during World War II—saves industry the cost of pulling men off productive jobs for classroom study, yet provides an effective means of developing supervisory safety skills.

Emphasizing the basics of accident prevention, the course provides supervisory safety training during a foreman's at-home hours, according to the Council. The course has been pretested by foremen in all types of industry.

Further information on the home study safety course may be obtained from Len Smith, director of industrial training, National Safety Council, 425 N. Michigan Ave., Chicago 11, Ill.

No More Tired Feet

Cushman Motors, Lincoln, Neb., a subsidiary of Outboard Marine Corp., announces the availability of a new model three-wheel electric Truckster for transporting industrial personnel and supplies. The unit is designed for use by plant supervisors, for light hauling and for use as a personnel carrier.

Called the two-passenger industrial electric model Cushman Truckster, the vehicle will carry two passengers plus a quarter-ton payload of industrial supplies and equipment. The highly maneuverable unit will operate in 40-inch passageways and travel up to 40 miles before it has to be plugged into its battery recharging equipment. The vehicle can also be equipped with a 2-way radio for centralized operational control.

"Fact Book" Updated

The revised edition of "The American Workers' Fact Book," since 1956 considered a prime source of information on workers and working conditions, is now available.

This popularly written book brings up to date the story of the American workers' economic progress over the past generation.

Covered are such subjects as the labor force, labor market, and problems of matching workers with jobs; employment and unemployment; productivity, wages, earnings, and living standards; job training; industrial safety; minimum hours and child labor; unemployment insurance and other forms of economic security; labor unions, labor laws, and labor-management relations; foreign labor activities and government services available to the worker.

Copies of the book may be obtained from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., at a cost of \$1.50 each.

"Handie-Talkie"

A personal radio paging system, capable of providing selective voice communications to more than 7,500 persons, has been developed by Motorola.

The new system, which operates on standard mobile radio VHF frequency bands (25-54 mc and 144-174 mc), enables one-way communications between a central base station and individuals carrying compact "Handie-Talkie" radio paging receivers. When an individual is paged, an alerting tone sounds in his receiver. The voice message follows. Private



Compact, lightweight radio pager slips easily into pocket. The unit can also be worn clipped to the belt.

communications are maintained since no other paging receiver is alerted.

The fully transistorized FM "Handie-Talkie" provides 500 milliwatts audio output, enabling reception even in noisy locations.

The radio pager operates from either a rechargeable battery or mercury cells. The rechargeable nickel cadmium supply provides up to 12 hours operation with each charge. The replaceable mercury cells last up to 120 working hours.

Wired for Sound

If you should see an executive talking to his attache' case in the near future, there will be no cause for alarm. You may assume that he is the owner of a "Minitronics U9 Case."

The U9—a new product introduced by Minitronics, Inc., Philadelphia—has been dubbed by its makers "the attache' case you can talk to." It's an apt slogan because this innocent-looking case is wired for sound with a built-in microphone and a sub-miniature Minifon tape recorder.

The mechanism is so small and cleverly concealed that it is not even visible when the case is in its normally opened position. Turned on and off by an invisible wireless control and powered by a single small battery, the case will pick up conversations 15 feet away, even when it is closed and people are speaking away from it.

The Minifon recorder made headlines recently when a Senate investigation revealed that it was being used widely by government officials, sometimes to record the words of each other.

As if a sub-miniature tape recorder were not enough, an optional feature of the U9 case is a secret compartment con-

taining a Lilliputian Minox camera with built-in exposure meter and flash gun.

Finger Tip Records

The Select-A-Matic Visible Index unit recently introduced by Remington Rand offers record protection in fields where heavy reference traffic would normally damage vital papers and the usual record-keeping ledgers and files.

With the Select-A-Matic Visible Index Unit, thousands of references are available in a single tamper- and dust-proof housing. In addition, all necessary information can be transcribed directly on the reference cards to further preclude the need for anyone to handle original documents or ledgers. With the convenient selector arm, a user can find any one of thousands of references in seconds—without the necessity of fingering the record itself or even the reference card.

A picture window displays the tabbed frames for quick and easy reference. A work shelf fronts the unit with a roomy storage cabinet forming the base.

Further information can be obtained from any Remington Rand sales office or dealer, or by writing 122 East 42nd Street, New York 17, N. Y.

OUR BEST SECURITY



An interesting chart showing what profits mean to job security, has been prepared by the Westinghouse Electric Corporation. Here are some of the things the chart illustrates:

A company making good profits has money to replace worn-out tools and machinery. Extra profit dollars, and lots of them, are needed if a company is to have the most up-to-date and most efficient equipment for making its products.

It takes profit dollars to build new plants and additions to the existing plants so the company can take advantage of larger markets for its products.

Good profits help to give a company the elbow room it needs so that it can afford to carry on the broad program of research and development.

A company that makes good profits can pay a fair dividend to its stockholders and thus attract more investment by private capital.

All this adds up to the best possible security of the individual job.

No Profits Disastrous

Now let's take a look at a company that makes no profits. Not one that loses money, but just doesn't make any profits.

It has no money to replace worn-out tools and machinery.

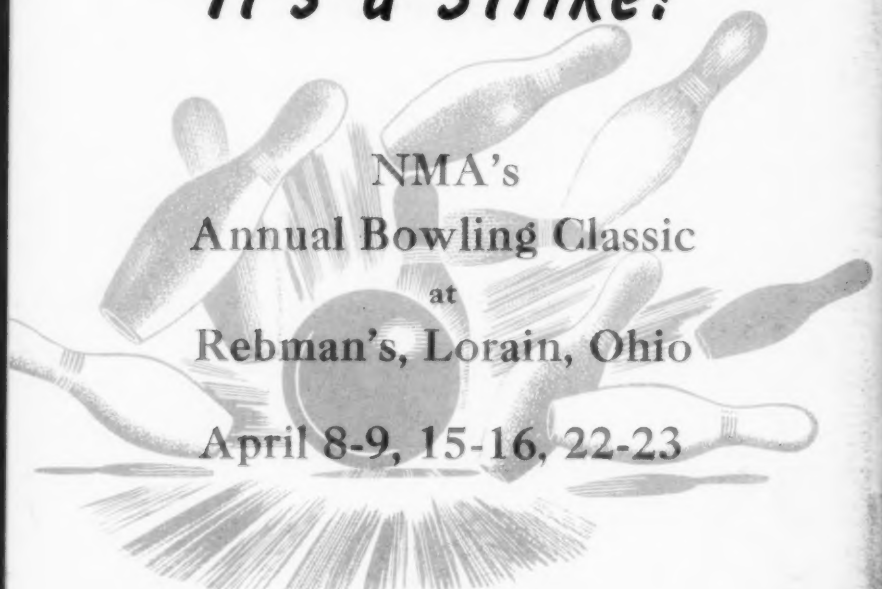
It's very difficult for such a company to keep on improving plants and equipment. There is no money for expansion.

Companies with no profits can't afford research and development programs. And where no profits mean no dividends, the public quickly loses confidence and private investment is withheld.

Also, a company that makes no profit is not an attractive risk for a loan of money which it may need to borrow.

And this all adds up to very poor security for the job and the employee.

It's a Strike!

A stylized illustration of bowling pins and a ball. A bowling ball is in the center, surrounded by several pins that appear to be in motion or have just been struck. The pins are scattered around the ball, with some showing motion lines. The background has a sunburst or starburst effect emanating from behind the ball.

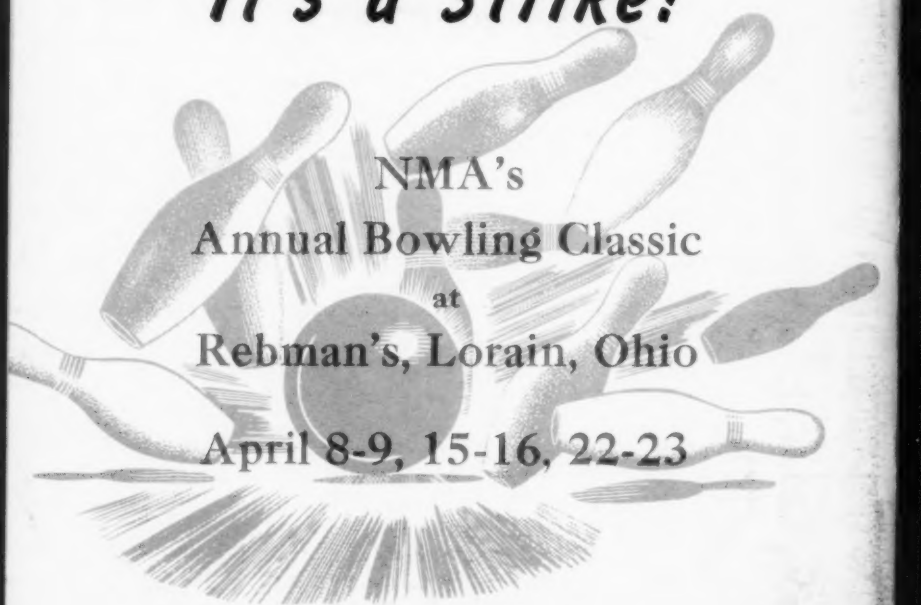
NMA's
Annual Bowling Classic
at
Rebman's, Lorain, Ohio

April 8-9, 15-16, 22-23

Sponsored by
National Tube Management Club of Lorain
J. J. Doslak, general chairman



It's a Strike!

A stylized illustration of bowling pins and a ball. A bowling ball is in the center, surrounded by several pins in various orientations. A large, radiating sunburst or starburst pattern emanates from behind the ball, creating a dramatic effect.

NMA's
Annual Bowling Classic
at
Rebman's, Lorain, Ohio
April 8-9, 15-16, 22-23

Sponsored by
National Tube Management Club of Lorain
J. J. Doslak, general chairman

The image shows the front cover of a book. The cover is primarily dark, possibly black or very dark brown, with a fine, grainy texture. Along the left edge, there is a vertical strip of a lighter, off-white or light gray material, which appears to be the spine or a hinge area. On the right edge, the binding structure is visible, showing a series of white, rectangular elements that look like staples or reinforced stitching. The overall appearance is that of a hardcover book, possibly a technical or academic volume, given the dark and textured design.